

LOS ANGELES COUNTY FISH AND GAME COMMISSION

GRANT APPLICATION TITLE PAGE

TITLE OF PROJECT/PROGRAM Restoration Tools

NAME OF ORGANIZATION RCD of the Santa Monica Mountains
[As it appears on (501) (c) (3) IRS Letter]

ADDRESS P.O. Box 638

CITY Aqoura Hills STATE CA ZIP CODE 91376

TELEPHONE NUMBER 818/597-8627 FAX NUMBER 818/597-8630

AMOUNT REQUESTED \$1685

BOARD CHAIRPERSON Dennis Washburn

EXECUTIVE DIRECTOR Clark Stevens

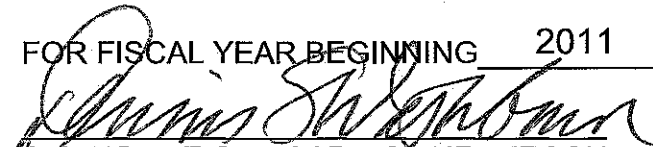
CONTACT PERSON Rosi Dagit

TITLE Senior Conservation Biologist

TELEPHONE NUMBER(S) ofc: 310/455-7528. cell: 310/488-6381

AUDITED TOTAL INCOME 636737 AUDITED TOTAL EXPENSES 608959

FOR FISCAL YEAR BEGINNING 2011 AND ENDING 2012


SIGNATURE OF BOARD CHAIRPERSON

DATE

Note to Applicant: Please complete this title page and attach all grant application materials prior to submission.

One Page Project Summary

In order to continue on-going restoration and revegetation efforts in lower Topanga Creek, Malibu Lagoon and Arroyo Sequit Creeks, the RCDSMM is requesting funding to replace worn and/or lost tools. All of these restoration and revegetation efforts rely upon volunteers coordinated by the RCDSMM and CA Department of Parks and Recreation. Since 2009, we have had over 1,000 volunteers participate in monthly events in lower Topanga State Park revegetating, doing invasive plant removal in a 12 acre floodplain following the restoration of the creek channel to increase migration opportunities for endangered southern steelhead trout. Following the restoration of Malibu Lagoon in 2012, over 1,500 volunteers have helped with weekly planting and weeding. A major creek restoration project is planned for summer 2014 to remove an in-stream barrier in Arroyo Sequit Creek and replace it with a bridge to increase fish passage opportunities, while continuing to provide access for visitors at Leo Carrillo State Beach. Last but not least, hundreds of student volunteers are regularly assisting with catching and removing invasive red swamp crayfish from Topanga and Malibu Creeks.

In the regular course of these events, tools get broken or lost. Since all of this work is conducted by volunteers, supervised by RCDSMM staff who also volunteer their time, we rely on grants and donations to replace these important tools.

Background on Applicant's Organization

Purpose and goals:

The RCD of the Santa Monica Mountains has been serving our constituents for over 50 years, providing education programs, conducting research that assists in developing management and policy plans, and implementing on-the-ground endangered species and ecosystem restoration.

Brief summary of current activities:

Thus far in 2013, we have already supervised over 100 community volunteers, several college groups (UCLA brought 200 freshman to help weed and remove arundo in Sept.), and numerous elementary, middle and high school classes. Their work has focused on invasive species removal and planting native species during the winter months. Due to the low rainfall in the past 2 years, volunteers have also provided critical assistance in watering new plants and catching crayfish that compete with our native aquatic species.

Geographic area served:

The RCDSMM boundaries extend from Encino to Thousand Oaks, from the Chatswork Reservoir to the ocean, and Catalina Island. The equipment will be used at restoration sites throughout the Santa Monica Mountains.

Grant Application
Page 4

Major sources and dollar amounts of corporate, foundation and government support during current and past fiscal year:

We have had no major grants for this work, and have instead relied upon donations, most of which were under \$100. We hosted a fun-raiser in August 2012 which provided an important influx of support.

History of all grants received from the Los Angeles County Fish and Game Commission:

January 2012 Malibu Water Quality Probe Maintenance \$3,977

March 2012 Laptop for Wildlife Research \$2,500

March 2012 Microscopes for Marine Science Program \$2,730

February 2013 Underwater ultrasound DIDSON camera equipment \$2,000

Project Information

Statement of justification of need:

All of the restoration and revegetation work is supported by donations to the RCDSMM Watershed Restoration Fund. At this time, we have only 4 hoe/cultivators, 4 loppers and 4 crayfish nets remaining. All other tools have either broken or gone missing.

Statement of purpose and goals:

The purpose of these efforts is to utilize enthusiastic volunteers to assist in the on-going revegetation and restoration of numerous locations within the Santa Monica Mountains. Providing them with tools to accomplish the task is critical to their success. Our goal is to eradicate invasive plants and animals in targeted locations where native species are threatened.

Action plan to meet objectives:

The funds provided by this grant will support purchase of much needed replacement tools including hoe/cultivators, loppers, dip nets, twine and weights for catching crayfish. We anticipate having students removing crayfish weekly. Weed removal is on-going on a weekly basis, and installation of new natives will take place in the fall-winter.

Grant Application
Page 6

Statement of how the objectives advance the propagation and protection of fish and wildlife:

Invasive species, both plant and animal, compete with our native species for space and food resources. Crayfish (native to Louisiana) eat our native frog eggs, tadpoles and adults, fish eggs and young and have even been known to attack newts, which have a toxic skin. Additionally, they disturb the sediments increasing turbidity, which in turn increases water temperature and lowers the availability of dissolved oxygen. Euphorbia terracina (pepperweed) and Arundo donax can overtake acres of creek banks when not controlled. They are highly flammable and can change bank stability and hydrology, both of which impact fish and other aquatic native species.

Project budget and timetable:

All tools will be purchased upon receipt of funding.

24" loppers (20 at \$30@)	\$600
hoe/cultivators (40 at \$13@)	\$520
garden gloves (100 prs at \$2.50@)	\$250
dip nets (30 at \$7@)	\$210
sisal twine (3 rolls at \$7@)	\$ 21
weights (3 sets 100 at \$21@)	\$84
TOTAL AMOUNT REQUESTED	\$1,685

Sources of other support for project:

None available at this time.

Grant Application
Page 7

Current status of project:

Numerous volunteer events have been scheduled for 2013-2014. Presently we have 4 loppers, 4 hoe/cultivators and 4 dipnets remaining for use. Our volunteers will be much more effective with more tools!

Cash flow analysis of the expenditure of project funds:

All tools will be purchased upon receipt of funds.

Proposed method of evaluating results:

Extent of the invasive plant removal is mapped once a year, and area cleared per event is also documented. Revegetation results are based on number of native plants installed, as well as expansion of the existing natives into areas cleared of invasives.

The crayfish are counted, measured and sexed at each event. They are humanely euthanized by freezing, and then contributed to a local wildlife rehabilitation center to provide food for injured native wildlife.

Plans for funding on-going project (if applicable):

This grassroots effort has been and probably will continue to rely upon small donations and episodic grant funding. There are not many grant opportunities to fund such efforts.

Progress reports (bi-yearly or upon completion, whichever occurs first):

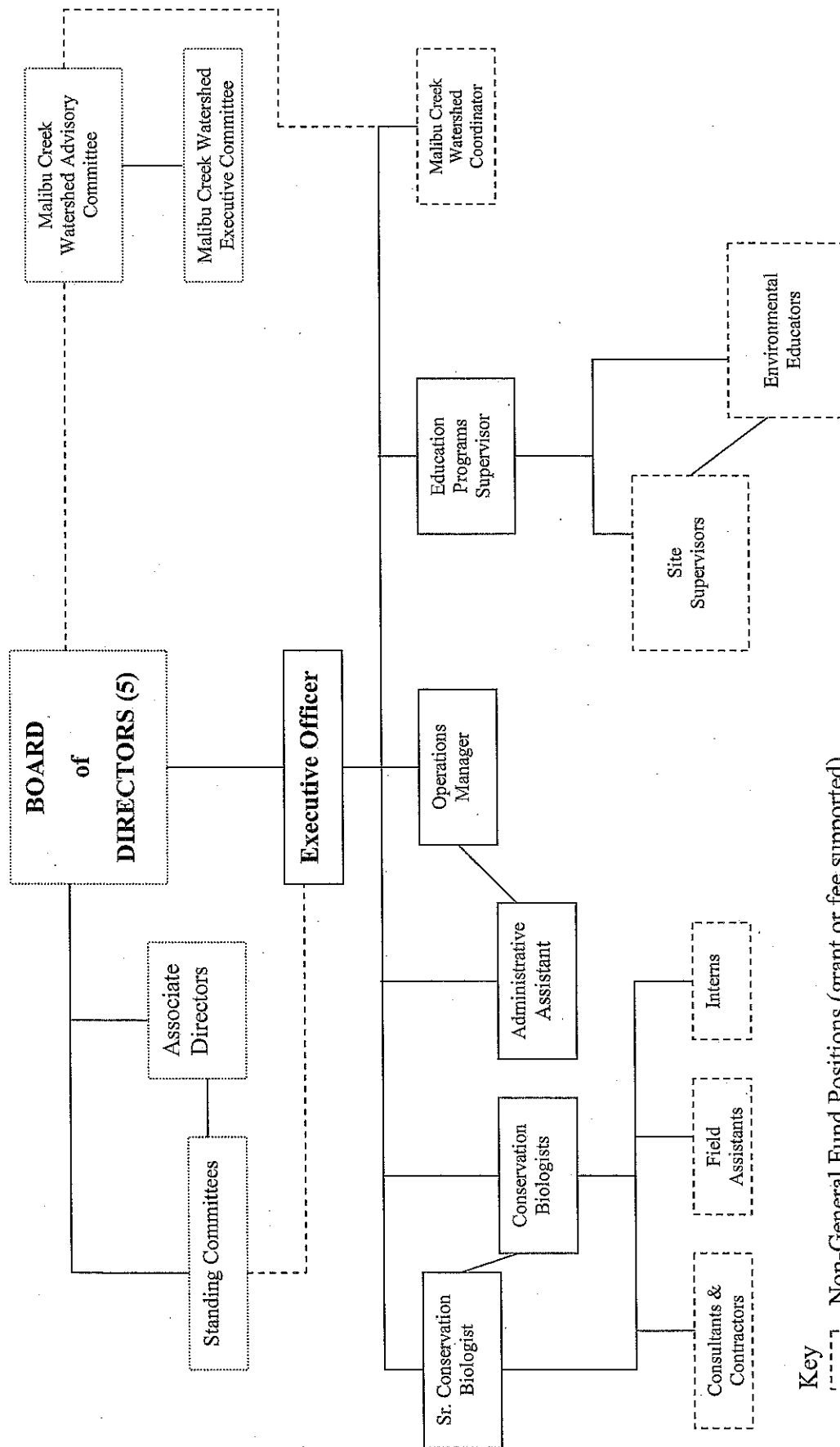
A progress report will be provided upon completion of purchase and will highlight the successes of our Fall 2013 and Winter 2014 volunteer efforts.

Please Attach the Following Supporting Documents:

- Description of Organizational Structure or Organizational Chart
- Copy of the Latest IRS Determination Letter of Tax Exempt Status under Section 501(c) (3)
- Most Recent Audited Financial Statement
- Most Recent IRS Form 990

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS

ORGANIZATION CHART



- Key**
- Non-General Fund Positions (grant or fee supported)
 - General Fund Staff Positions
 - Volunteer/Unpaid Positions
 - Indirect Reporting or Advisory



RESOURCE
CONSERVATION DISTRICT
OF THE
SANTA MONICA MOUNTAINS

818.597.8627 | phone
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info@rcdsmm.org

30000 Mulholland Highway, Agoura Hills, CA 91301
Mail: PO Box 638, Agoura Hills, CA 91376-0638

BOARD OF DIRECTORS

Dennis Washburn
President

David Gottlieb
Vice President

Steve Rosentsweig
Treasurer

Nancy Helsley
Director

R.C. Brody
Director

EXECUTIVE OFFICER
Clark Stevens

September 19, 2013

County of Los Angeles
Fish and Game Commission

Dear Commissioners,

In compliance with the request for supporting documents relevant to the fiscal status of the Resource Conservation District of the Santa Monica (RCDSMM), we provide the following information.

The RCDSMM, a subdivision of the State of California, is a local government special district organized under division 9 of the CA Public Resources Code.

Internal Revenue Code (IRC) Section 115 states that the gross income of a subdivision of a state is not taxable by the Federal government.

IRC Section 170(c)(1) states that contributions to subdivisions of a state are tax deductible as long as they are used for public purposes.

Therefore, the RCDSMM does not submit forms or pay federal income tax and contributions to the RCDSMM are tax deductible.

We appreciate the support of the Commission for our efforts to provide important resource management information that will help protect and preserve the Santa Monica Mountains and its wildlife.

Sincerely,

John Hendra
Operations Manager

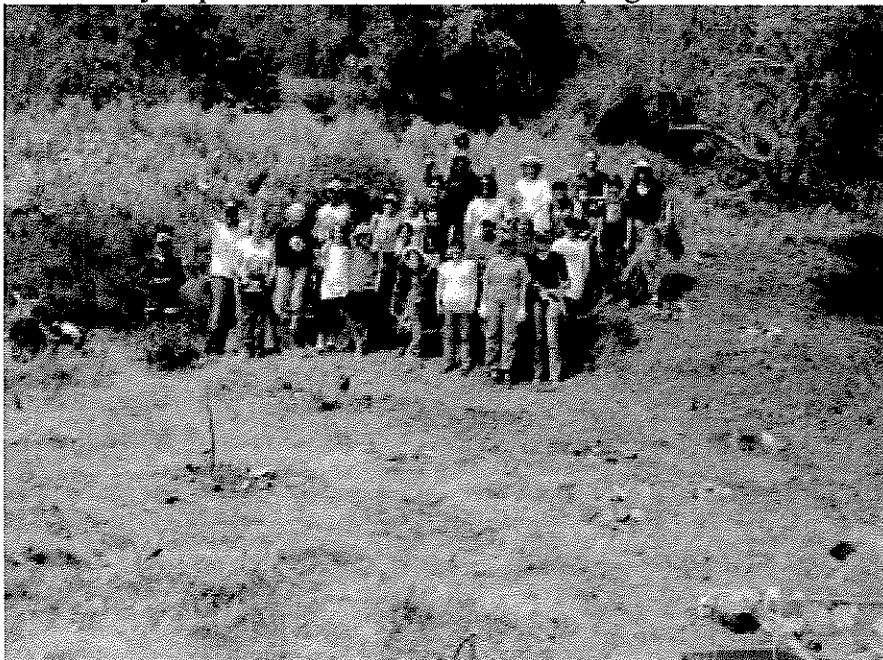
RCDSMM Restoration Tools

Restoration Tool Funding Request September 2013



Earth Day Restoration event in Lower Topanga State Park 2012
200 volunteers

Earth Day Euphorbia removal in Lower Topanga State Park 2010



Los Angeles Center for Enriched Studies junior and senior bio students helped remove
invasive crayfish May
2013



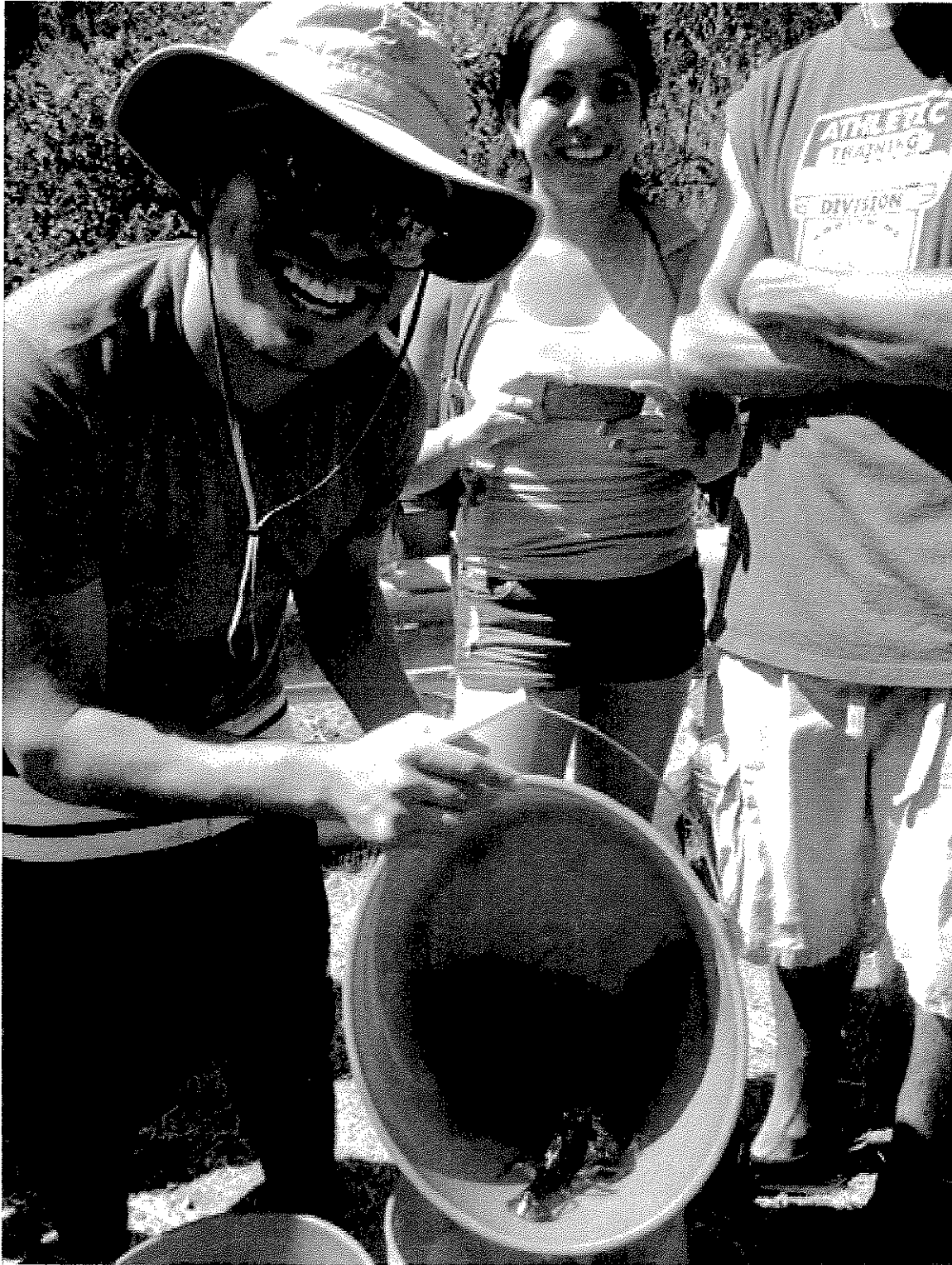
RCDSMM Restoration Tools



Crayfish are measured and sexed so we can track reproduction patterns



Enjoying a morning in the creek and catching crayfish using different strategies!



All crayfish are humanely euthanized by freezing and contributed to the local wildlife rehabilitation center to feed injured wildlife.

**RESOURCE CONSERVATION DISTRICT
OF THE SANTA MONICA MOUNTAINS**

**COUNTY OF LOS ANGELES
AGOURA HILLS, CALIFORNIA**

**AUDITED FINANCIAL STATEMENTS
JUNE 30, 2012**

**BURKEY COX EVANS & BRADFORD
Accountancy Corporation
1058 West Avenue M-14, Suite B
Palmdale, CA 93551**

**RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
BOARD OF DIRECTORS AND DISTRICT HISTORY
JUNE 30, 2012**

<u>MEMBER</u>	<u>OFFICE</u>
Dennis Washburn	President
David Gottlieb	Vice President
Steven Rosentsweig	Treasurer
Nancy Helsley	Director
R.C. Brody	Director

Clark Stevens
Executive Officer

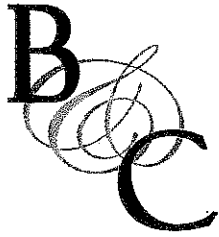
DISTRICT HISTORY

The Resource Conservation District of the Santa Monica Mountains (the District) is a local government body established to assist landowners in conserving natural resources and to educate the public about conservation issues. The District was originally organized as the Topanga Soil Conservation District in accordance with Division 9 of the California Public Resources Code. The formation election was held on January 10, 1961; the vote was certified and the District was declared to be formally organized by resolution of the Los Angeles County Board of Supervisors on January 24, 1961; and on February 8, 1961 the Board of Directors of the new district met for the first time. In 1971, the State of California officially changed the name "Soil Conservation District" to "Resource Conservation District" to reflect the expanded mission of all the state districts to include wildlife and habitat conservation. The Topanga-Las Virgenes Resource Conservation District officially changed its name to the Resource Conservation District of the Santa Monica Mountains by resolution of the Board of Directors on January 9, 1995.

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
TABLE OF CONTENTS
JUNE 30, 2012

	<u>Page No.</u>
FINANCIAL INFORMATION	
Independent Auditors' Report on Financial Statements	1 – 2
Management's Discussion and Analysis	3 – 6
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	7
Statement of Activities	8
Fund Financial Statements	
Balance Sheet – Governmental Funds	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	12
Notes to the Basic Financial Statements	13 – 22
SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund	23
Detailed Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds – Budget and Actual	24
OTHER INDEPENDENT AUDITORS' REPORT	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	25 – 26

FINANCIAL INFORMATION



**BURKEY COX
EVANS & BRADFORD**
ACCOUNTANCY CORPORATION

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PALMDALE, CALIFORNIA 93551

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JANETTE HENRIQUEZ, CPA
JENNIFER VICKERY, CPA
MARTHA J. WILLEY, CPA

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Board of Directors
Resource Conservation District of the Santa Monica Mountains
Agoura Hills, California

We have audited the accompanying financial statements of the governmental activities, general fund, and the aggregate remaining fund information of Resource Conservation District of the Santa Monica Mountains (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, general fund, and the aggregate remaining fund information of Resource Conservation District of the Santa Monica Mountains, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2012, on our consideration of the District's internal control over financial reporting and our tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and pages 23-24, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial

Resource Conservation District of the Santa Monica Mountains
Page 2

reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Burkey & Cox CPAs

BURKEY COX EVANS & BRADFORD
Accountancy Corporation

Palmdale, California
September 28, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Resource Conservation District of the Santa Monica Mountains

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2012

This discussion and analysis of the Resource Conservation District of the Santa Monica Mountains' financial performance provides an overall review of the district's financial activities for the fiscal year ending June 30, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole.

The Resource Conservation District of the Santa Monica Mountains (RCDSMM) was formed in 1961 to conserve the natural resources of the Santa Monica Mountains, educate landowners about environmental issues, and preserve and restore habitat. For 51 years the RCDSMM has worked with the Los Angeles and Ventura County communities to conserve soil and water, monitor native species, promote environmentally sensitive vegetation management, restore wetlands, remove invasive species and provide environmental education. RCD's are unique agencies that have the power and authority to perform integrated resource management and implementation for clients both public and private, and they have the ability to bring to bear the resources of the US Department of Agriculture's Natural Resources Conservation Service.

The RCDSMM covers 168,800 acres and is governed by a five (5) member Board of Directors appointed, in lieu of election, by the Los Angeles County Board of Supervisors with input from the Ventura County Board of Supervisors. The Board meets on the fourth Monday of each month at 6:00 p.m.

Financial Highlights

61% of revenues in fiscal year 2012 came from grants, contracts, donations and program fees, with the remaining 39% of revenue from property taxes. This means that the RCD leveraged its property tax allotment to bring in 1.5 times more funding to the District for environmental projects and education.

Key financial data for fiscal year 2011-12 are as follows:

- Total revenues increased by \$47,000 in fiscal year 2012 compared to the last fiscal year, from \$590,000 to \$637,000. While property tax revenue decreased slightly (- \$4400), revenue from contracts and grants increased by \$35,000. Interest income was down \$1500, but program fees and direct public support both increased by \$13,000 and \$1700 respectively, an indication that the RCD's work to broaden its funding base through fee for service programs and donations is beginning to bear fruit.
- Total expenditures for fiscal year 2012 were lower by \$88,000 from the previous year, from \$697,000 to \$609,000. The main source of the reduction was a \$95,000 decrease in contractor expenses—grant work in the fiscal year required less contractor work. Payroll is the RCD's largest expenditure at 80% of total expenses. While overall payroll went up slightly (\$7000) for this fiscal year compared to last, General Fund payroll expenses decreased almost \$42,000 while grant funded payroll increased by \$49,000. All other expenses outside of payroll and contractor payments remained consistent with the previous year.
- Total net assets increased for the 2012 fiscal year from \$418,000 to \$448,000, an increase of \$30,000. The RCDSMM was able to completely close the General Fund imbalance from the previous year and build reserves for future priorities.

Much like the economy as a whole, the RCDSMM turned the fiscal corner in 2012 and is looking forward to a prosperous next few years. The District has been diligent in trimming General Fund expenses, finishing this year under budget, while at the same time cultivating new programs and increased revenue. In other words, the RCDSMM is doing more resource conservation and education with less expense to area taxpayers.

In addition to the programs and projects listed in the section below, the RCDSMM is working on a number of potential new projects and grants for the next few years that will improve the environment of southern

Resource Conservation District of the Santa Monica Mountains

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2012

California. The District is submitting, or awaiting word on, proposals for funding Trancas Lagoon restoration planning, Topanga beach water quality assessment and increased southern steelhead trout monitoring capabilities. In addition, the Education Department continues to expand its offerings to local schools and is creating ways to enhance field-based scientific learning for schools and districts in these times of lean education funding.

District Programs & Projects

Following are some of the significant RCD programs and projects for fiscal year 2011-12:

- **Southern Steelhead Trout Monitoring (California Department of Fish and Game: \$650,000)** – Funded by two grants totaling almost \$650,000 over 3 years, RCDSMM biologists monitored water quality and southern steelhead trout populations in Topanga, Malibu and Arroyo Sequit Creeks.
- **Go Wild! Nativescaping in Schools (State Water Resources Control Board: \$321,000)** – Four school gardens were constructed in previous years, but the garden at Malibu High School had unforeseen problems due to excess runoff and was redesigned. Permitting and construction of a more robust garden to withstand larger volume runoff was completed and the grant closed.
- **Santa Monica Mountains Watershed Coordinator (California Department of Conservation: \$155,000)** – The RCDSMM has completed the first year of the grant for the Santa Monica Mountains Watershed Coordinator program, which works to educate the public on conservation issues, promote and seek funding for projects, and facilitate the exchange of information between stakeholders across the mountains. The Watershed Coordinators have hosted or attended dozens of stakeholder meetings and submitted a number of grant applications to move projects forward. In addition, the Santa Monica Mountains Watersheds Committee has pulled together local government agencies, organizations, businesses and citizens across the mountains and fostered mountains-wide communication and problem solving. The grant ends April 2014.
- **Malibu Lagoon Restoration/Interpretive Design (California Department of Parks and Recreation/Santa Monica Bay Restoration Authority: \$92,000)** – a multi-agency effort to address siltation and pollution impacting the Lagoon's and Santa Monica Bay's water quality and wildlife. Restoration work began in June after a legal delay was cleared and a thorough native species relocation effort was completed. The restored lagoon, with its RCDSMM-designed interpretive educational elements, is scheduled to open in late 2012 or early 2013.
- **K-12 Education Programs (Fee for Service, Havasi Foundation and other donations: \$48,000)** – the RCDSMM Education Department provides outdoor, standards-based environmental education to over 5,000 students a year in more than 100 programs in four locations. The Education and Biology Departments have also developed hands-on programs to teach water quality to elementary school students and research techniques to high school environmental science students.
- **Bell Canyon Conservation Plan (Bell Canyon Homeowners Foundation and the USDA Natural Resources Conservation Service: \$30,000)**—residents of Bell Canyon contracted with the RCD to develop a conservation plan for the habitat of their canyon, which is part of the headwaters of the Los Angeles River. The plan was completed and presented to the Foundation, which will seek funding for the recommended restoration projects. This project is closed.
- **Demonstration House (Los Angeles County Supervisor Zev Zaroslavsky: \$22,000)**—the RCD was contracted to design and create a permit process for a small structure and surrounding garden that demonstrates environmentally friendly and fire safe materials and techniques to homeowners in the mountains. Construction was delayed due to permitting and contracting issues, so the grant was extended.
- **FARMS Program (Center for Land Based Learning: \$16,000)**—the RCD Education Program Supervisor coordinated this year-long agricultural education program to help high school students

Resource Conservation District of the Santa Monica Mountains
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012

from three local schools discover where their food comes from, how it is grown and what careers are available in farming and food science. This program will renew in the next fiscal year.

- **Harding Grass Removal (California Department of Park and Recreation: \$16,000)**—CDPR funded field technicians to remove non-native harding grass and replant the areas with natives. The initial grant was concluded in this fiscal year, but another grant to continue the work is expected in 2013.
- **Native Species Monitoring (Donations: \$4400)** – RCDSMM biologists monitored local populations of red-legged frogs, southwestern pond turtles, bats and other species through donated and RCDSMM funds.

Capital Outlay

The District has not entered into any capital lease agreements.
There were no other significant capital outlays.

Requests For Information

This financial report is designed to provide a general overview of the district's finances. For questions about this report or more information about the district and its finances, please contact the RCDSMM Executive Officer at 818/597-8627 or by email at info@rcdsmm.org.

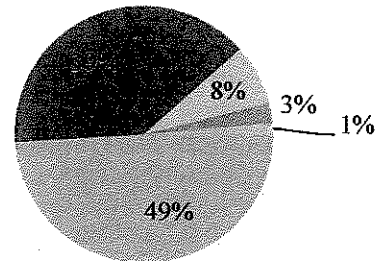
RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS

Management Discussion and Analysis For the Fiscal Year Ended June 30, 2012

Revenues:

Contracts/Grants	\$	311,951
Property Tax	\$	250,905
Program Fees	\$	48,035
Direct Public Support	\$	16,568
Other	\$	9,278
	\$	<u>636,737</u>

Revenues 2012

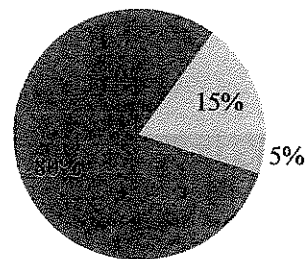


☐ Contracts/Grants ☐ Property Tax
☐ Program Fees ☐ Direct Public Support
☐ Other

Expenditures:

Contract/Grant Administration	\$	30,352
Payroll	\$	486,779
All Other Expense	\$	91,828
	\$	<u>608,959</u>

Expenditures 2012



☐ Contract/Grant Administration
☐ Payroll
☐ All Other Expense

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
STATEMENT OF NET ASSETS
JUNE 30, 2012

ASSETS

Cash and Investments	\$ 386,015
Accounts Receivable	161,932
Capital Assets, Net of Accumulated Depreciation	<u>7,579</u>
Total Assets	<u>555,526</u>

LIABILITIES

Accounts Payable	13,019
Accrued Expenses	76,904
Due to MCEA	1,093
Deferred Revenue	<u>16,714</u>
Total Current Liabilities	<u>107,730</u>

NET ASSETS

Net Investment in Capital Assets	7,579
Restricted	-
Unrestricted	<u>440,217</u>
Total Net Assets	<u><u>\$ 447,796</u></u>

See independent auditors' report and accompanying notes to financial statements.

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
PRIMARY GOVERNMENT				
Governmental Activities:				
Natural Resource Conservation:				
General Government	\$ 607,395	\$ 64,603	\$ 318,304	\$ (224,488)
Total Governmental Activities	607,395	64,603	318,304	(224,488)
Total Primary Government	<u>\$ 607,395</u>	<u>\$ 64,603</u>	<u>\$ 318,304</u>	<u>(224,488)</u>
General Revenues:				
Property Taxes				250,905
Interest Revenue				<u>2,925</u>
Total General Revenues				<u>253,830</u>
Change in Net Assets				<u>29,342</u>
Net Assets - Beginning				<u>418,454</u>
Net Assets - Ending				<u>\$ 447,796</u>

See independent auditors' report and accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

ASSETS

Current Assets:

Cash and Investments	\$ 386,015
Accounts Receivable	<u>161,932</u>

Total Current Assets	<u>547,947</u>
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Total Assets	<u><u>\$ 547,947</u></u>
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LIABILITIES AND FUND EQUITY

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 13,019
Accrued Expenses	76,904
Due to MCEA	1,093
Deferred Revenue	<u>16,714</u>

Total Current Liabilities	<u>107,730</u>
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FUND EQUITY

Fund Balance:

Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>440,217</u>

Total Fund Equity	<u>440,217</u>
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Total Liabilities and Fund Equity	<u><u>\$ 547,947</u></u>
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See independent auditors' report and accompanying notes to financial statements.

**RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

Total Fund Balances of Governmental Funds	\$ 440,217
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Capital assets used for governmental activities are not financial resources and therefore are not reported as assets in Governmental Funds. The cost of the assets is \$31,823 and the accumulated depreciation is \$24,244.

7,579

Total Net Assets of Governmental Activities	<u>\$ 447,796</u>
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See independent auditors' report and accompanying notes to financial statements.

**RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

REVENUES

Contract/Grant	\$ 311,951
Property Taxes	250,905
Interest Revenue	2,925
Direct Public Support	16,568
Fundraising	4,028
Program Fees	40,128
Fee for Service	7,907
Other	<u>2,325</u>
Total Revenues	<u>636,737</u>

EXPENDITURES

Natural Resource Conservation:	
General Government	<u>608,959</u>
Total Expenditures	<u>608,959</u>

Net Change in Fund Balance	27,778
Fund Balance - Beginning of Year	<u>412,439</u>
Fund Balance - End of Year	<u><u>\$ 440,217</u></u>

See independent auditors' report and accompanying notes to financial statements.

**RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Net Change in Fund Balances Total Governmental Funds	\$	27,778
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Current Year Fixed Asset Additions	\$	6,475	
Current Year Depreciation		<u>(4,911)</u>	
	Total		<u>1,564</u>
Total Change in Net Assets of Governmental Activities			<u><u>\$ 29,342</u></u>

See independent auditors' report and accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The basic financial statements of Resource Conservation District of the Santa Monica Mountains (the District) include the accounts of all of the activities of the District. The District was formed as an independent special district to assist landowners in conserving natural resources and to educate the public about conservation issues.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statements No. 14, *The Financial Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units* (an amendment to No. 14). The District is the primary governmental unit based on the foundation of a separately appointed board of directors. The board is appointed by the Los Angeles County Board of Supervisors. The board has decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. Component units are legally separate organizations for which the appointed officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and 1) is able to impose its will on that organization, or 2) a potential exists for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The District has no blended or discretely-presented component units.

B. Basis of Presentation

Government-wide Financial Statements: The statement of net assets and the statement of activities include the financial activities of the overall government. The effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: Fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the fiscal year for which the taxes are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal year. Expenditures are generally recorded when the related fund liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property tax revenues, revenues received from the state, and investment earnings are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

D. Assets, Liabilities, and Net Assets/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments are reported at fair value (generally based on quoted market prices) except for the position in the Los Angeles County pool. The District adopted an investment policy directing management to deposit funds in financial institutions. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

3. Inventories and Prepaid Items

The District records the purchases of supplies as expenditures, utilizing the purchase method of accounting for inventories.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost and are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Land is not depreciated. The other capital assets are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

<u>Description</u>	<u>Estimated Useful Lives</u>
Building and Improvements	15 - 40 years
Furniture and Equipment	5 - 7 years

5. Accounts Receivable

No allowance for doubtful accounts has been established since management believes that substantially all amounts are collectible.

6. Net Assets/Fund Balance

Non-spendable Fund Balance The portion of fund balance reflecting assets not in spendable form, either because they will never convert to cash (such as prepaid items) or must remain intact pursuant to legal or contractual requirements (such as the principal of a permanent endowment).

Restricted Fund Balance The portion of fund balance representing resources subject to externally imposed and legally enforceable constraints imposed either by external resource providers, e.g., grantors or creditors, or by law through constitutional provisions or enabling legislation. Examples include unspent balances or restricted state and federal grants, and unspent proceeds of general obligation bonds

Committed Fund Balance The portion of fund balance representing resources whose use is constrained by limitations self-imposed by the District through formal action of its highest level of decision-making authority. The constraints can be modified or removed only through the same process by which they were imposed. The action imposing the constraint must be made by the end of the reporting period. The actual amounts may be determined at a later date, prior to the issuance of the financial statements.

Assigned Fund Balance The portion of fund balance representing resources that are intended to be used for specific purposes but for which the constraints do not meet the criteria to be reported as restricted or committed. Intent may be established either by the District's highest level of decision-making or by a designated body or official. Constraints giving rise to assigned fund balance may be imposed at any time before the financial statements are issued, and may be modified or removed by a process less formal than is required for committed fund balance. In governmental fund types other than the general fund, this is the residual fund balance classification.

Unassigned Fund Balance The portion of fund balance not classified as non-spendable, restated, committed, or assigned. For budgetary purposes, this account represents the excess of estimated revenue and estimated other financial sources over appropriations and estimated other financing uses.

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenues and Expenses

1. Property Taxes

Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. Los Angeles and Ventura Counties bill and collect the taxes for the District. Tax revenues are recognized by the District when received.

2. Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are earned. Cash payment of unused vacation is available to those qualified employees when retired or terminated. The dollar value of such accumulations was determined to be \$24,865 as of June 30, 2012.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

G. Budgetary Data

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to the beginning of the fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board of Directors is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must have been given.
3. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the Board of Directors.

Once a budget is approved, it can be amended only by approval of a majority of the members of the Board of Directors. As required by law, such amendments are made before the fact, reflected in the official minutes of the Board of Directors, and not made after fiscal year end.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2012, are classified in the accompanying financial statements as follows:

Cash and Investments	<u>\$ 386,015</u>
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RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – CASH AND INVESTMENTS (Continued)

Cash and investments consisted of the following at June 30, 2012:

Cash on Hand and in Banks	\$ 83,178
Pooled Investments	<u>302,837</u>
Total	<u><u>\$ 386,015</u></u>

Investments Authorized by the California Government Code and the District's Investment Policy

The following table identifies the investment types that are authorized by the District in accordance with the California Government Code or the District's investment policy, where more restrictive. The table also identifies certain provisions of the California Government Code or the District's investment policy, where more restrictive, that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Investments Authorized by the California Government Code and the District's Investment Policy (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio *</u>	<u>Maximum Investment in One Issuer</u>
State and Local Agency Bonds	5 years	100%	None
U.S. Treasury Notes	5 years **	100%	None
Federal Agency Obligations	5 years **	100%	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Non-negotiable Certificates of Deposit	1 year	30%	None
Negotiable Certificates of Deposit	5 years	30%	None
Medium-Term Notes	5 years	30%	None
Repurchase Agreements	30 days	100%	None
Money-Market Funds	N/A	20%	None
California Local Agency Investment Fund (LAIF)	N/A	100%	10%

* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions

** Except when authorized by the District's legislative body in accordance with Government Code Section 53601

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as the Kern County Investment Pools.

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – CASH AND INVESTMENTS (Continued)

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Investment in Los Angeles County Investment Pool

The Entity is a voluntary participant in the Los Angeles County Investment Pool that is regulated by the California Government Code under the oversight of the Treasurer of the County of Los Angeles. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by Los Angeles County for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by Los Angeles County, which are recorded on an amortized cost basis.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date.

Investments at June 30, 2012, consisted of the following:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in Months)</u>
		<u>12 months or less</u>
Cash on Hand and in Banks	\$ 83,178	\$ 83,178
Pooled Investments	302,837	302,837
Total	<u>\$ 386,015</u>	<u>\$ 386,015</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by, where applicable, the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – CASH AND INVESTMENTS (Continued)

Credit ratings as of June 30, 2012, consisted of the following:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt from Disclosure</u>	<u>Ratings AAA</u>
Cash on Hand and in Banks	\$ 83,178	N/A	\$ 83,178	-
Pooled Investments	302,837	N/A	302,837	-
Total	<u>\$ 386,015</u>		<u>\$ 386,015</u>	

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following are the excess of expenditures over appropriations as of June 30, 2012.

Contract/Grant Administration	\$ 30,352
Insurance	\$ 2,579
Lease	\$ 154
Office Supplies and Expenses	\$ 8,047
Payroll	\$ 204,079
Printing and Copying	\$ 894
Repairs and Maintenance	\$ 1,191
Telephone/Internet	\$ 650
Travel and Conventions	\$ 14,233
Utilities	\$ 630
Miscellaneous	\$ 10,753

NOTE 4 – ACCOUNTS RECEIVABLE

Receivables at June 30, 2012, consist of the following:

Local Receivables:	
Accounts Receivable	\$ 117,252
Retention Receivable	11,864
Interest Receivable	2,129
Taxes Receivable:	
Los Angeles County	25,574
Ventura County	5,113
Total	<u>\$ 161,932</u>

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 – FIXED ASSETS AND DEPRECIATION

The changes in fixed assets for the year ended June 30, 2012, were as follows:

	Balance July 01, 2011	Additions	Deletions	Balance June 30, 2012
<u>Cost</u>				
Improvements	\$ 31,370	\$ -	\$ (25,445)	\$ 5,925
Equipment	29,921	6,475	(10,498)	25,898
Total Cost	<u>61,291</u>	<u>6,475</u>	<u>(35,943)</u>	<u>31,823</u>
<u>Less accumulated depreciation for:</u>				
Improvements	(29,327)	(296)	25,445	(4,178)
Equipment	(25,949)	(4,615)	10,498	(20,066)
Total Accumulated Depreciation	<u>(55,276)</u>	<u>(4,911)</u>	<u>35,943</u>	<u>(24,244)</u>
Net Capital Assets	<u>\$ 6,015</u>	<u>\$ 1,564</u>	<u>\$ -</u>	<u>\$ 7,579</u>

Depreciation Expense was charged to Governmental Activities as follows:

Resource Conservation	<u>\$ 4,911</u>
Total Depreciation Expense	<u>\$ 4,911</u>

NOTE 6 – RETIREMENT PLANS

Plan Description

The District contributes to the California Public Employees' Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by the state statute and local ordinance. PERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of PERS annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 7.00% of their salary (7% of monthly salary over \$133.33 if the member participates in Social Security). The District makes the contributions required of District employees on their behalf and for their account. The District is required to contribute at an actuarially determined rate of 9.539% for the fiscal year ended June 30, 2012. The contribution requirements of plan members and the District are established and may be amended by PERS.

Funding Status

As of the date of the audit the latest funding information available from PERS was effective for the June 30, 2010 fiscal year. The District's contributions to PERS for the fiscal year ended June 30, 2012 was \$27,259 and equal 100% of the required contributions for each year. As of June 30, 2012 the pension benefit obligation was fully funded.

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 – LEASE OBLIGATIONS

The District has entered into an operating lease for equipment as of June 30, 2012, with commitments that extend beyond one year. Future payments as of June 30, 2012 are as follows:

<u>Year Ending</u>	<u>Payments</u>
2013	4,400
Total	<u>\$ 4,400</u>

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year ended June 30, 2012, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for any of the past three fiscal years.

NOTE 9 – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2012, that have effective dates that may impact future financial presentation.

Governmental Accounting Standards Board Statement No. 60

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This standard addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of the implementation of this statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 61

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity, Omnibus*. This standard is designed to improve financial reporting for governmental entities by amending the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments*. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of the implementation of this statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 63

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of the implementation of this statement to the District's financial statements has not been assessed at this time.

RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 – GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS ISSUED, NOT YET EFFECTIVE (Continued)

Governmental Accounting Standards Board Statement No. 64

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. This standard is designed to improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or swap counterparty's credit support provider is replaced. This statement is effective for financial statements for periods beginning after December 15, 2011. The impact of the implementation of this statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 65

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for financial statements for periods beginning after December 15, 2012. The impact of the implementation of this statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 66

The GASB issued Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statement No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement is effective for financial statements for periods beginning after December 15, 2012. The impact of the implementation of this statement to the District's financial statements has not been assessed at this time.

NOTE 10 – SUBSEQUENT EVENTS

The District had no reportable subsequent events as of the date of the auditors' report, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	GENERAL FUND			
	ORIGINAL BUDGET *	FINAL BUDGET *	ACTUAL	OVER (UNDER) BUDGET
REVENUES				
Contract/Grant	\$ 26,000	\$ 26,000	\$ 311,951	\$ 285,951
Property Taxes	257,000	257,000	250,905	(6,095)
Interest Revenue	3,500	3,500	2,925	(575)
Direct Public Support	15,500	15,500	16,568	1,068
Fee for Services	1,500	1,500	7,907	6,407
Fundraising	4,200	4,200	4,028	(172)
Program Fees	32,000	32,000	40,128	8,128
Other Local	-	-	2,325	2,325
Total Revenues	<u>339,700</u>	<u>339,700</u>	<u>636,737</u>	<u>297,037</u>
EXPENDITURES				
Resource Conservation:				
General Government	339,295	339,295	608,959	269,664
Total Expenditures	<u>339,295</u>	<u>339,295</u>	<u>608,959</u>	<u>269,664</u>
Excess of Revenues Over (Under) Expenditures	405	405	27,778	27,373
OTHER FINANCING SOURCES (USES)				
Reserve for Contingencies	-	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 405</u>	<u>\$ 405</u>	<u>27,778</u>	<u>\$ 27,373</u>
Fund Balance - Beginning of Year			<u>412,439</u>	
Fund Balance - End of Year			<u>\$ 440,217</u>	

* The District does not include Contract/Grant revenues and expenses in their General Fund budget while the revenues and expenses presented in the Actual column include these amounts. Each grant program maintains its own budget and Contract/Grant revenues and expenses are monitored on a grant by grant basis.

See independent auditors' report.

**RESOURCE CONSERVATION DISTRICT OF THE SANTA MONICA MOUNTAINS
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	GENERAL FUND		
	FINAL BUDGET *	ACTUAL	OVER (UNDER) BUDGET
REVENUES			
Contract/Grant	\$ 26,000	\$ 311,951	\$ 285,951
Property Taxes	257,000	250,905	(6,095)
Interest Revenue	3,500	2,925	(575)
Program Fees	15,500	16,568	1,068
Fee for Service			
Fee for Services	1,500	7,907	6,407
Fundraising	4,200	4,028	(172)
Program Fees	32,000	40,128	8,128
Other Local	-	2,325	2,325
Total Revenues	<u>339,700</u>	<u>636,737</u>	<u>297,037</u>
EXPENDITURES			
General Government:			
Contractor Expense	-	30,352	30,352
Accounting	9,500	7,699	(1,801)
Advertising	1,000	837	(163)
Dues and Subscriptions	5,350	5,201	(149)
Insurance	2,500	5,079	2,579
Janitorial	3,120	3,120	-
Lease	5,400	5,554	154
Legal	1,000	-	(1,000)
Office Supplies and Expenses	3,800	11,847	8,047
Payroll	282,700	486,779	204,079
Postage and Delivery	1,000	735	(265)
Printing and Copying	500	1,394	894
Publications	575	55	(520)
Repairs and Maintenance	10,500	11,691	1,191
Telephone/Internet	3,300	3,950	650
Travel and Conventions	4,100	18,333	14,233
Utilities	4,950	5,580	630
Miscellaneous	-	10,753	10,753
Total Expenditures	<u>339,295</u>	<u>608,959</u>	<u>269,664</u>
Excess of Revenues Over (Under) Expenditures	405	27,778	27,373
OTHER FINANCING SOURCES (USES)			
Reserve for Contingencies	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 405</u>	<u>27,778</u>	<u>\$ 27,373</u>
Fund Balance - Beginning of Year		<u>412,439</u>	
Fund Balance - End of Year		<u>\$ 440,217</u>	

* The District does not include Contract/Grant revenues and expenses in their General Fund budget while the revenues and expenses presented in the Actual column include these amounts. Each grant program maintains its own budget and Contract/Grant revenues and expenses are monitored on a grant by grant basis.

See independent auditors' report.